

# Traders Brief

## To re-challenge 1,500 level

### MARKET REVIEW

**Asia/US.** Asian markets extended their winning strikes as investors look beyond the near-term earnings weakness and the Fed's less hawkish stance that sparks hope for a slower rate hike (consensus: +25bps vs previous: +50bps) in the upcoming meeting (1st Feb). The MSCI Asia Pacific index rose 0.8% (third straight day of gains) with the Japan market leading the advance while the China market is still shut for the Lunar New Year. Overnight, the Dow eased as much as 470pts but the loss was erased to end +9.8pts to 33,743 thanks to Microsoft's rebound from intraday lows. Nasdaq, however, was down -20.9pts to 11,313 as heavyweights such as Alphabet and Texas Instruments Incorporated reported earnings that fell short of analysts' projections.

**Malaysia.** Bucking regional trend, KLCI oscillated between 1,494 and 1501.8 levels throughout the session before ending marginally lower at 1,499.45 (-0.88pts). Market breadth (gainers/losers ratio) remained positive at 2.2 (vs 1.64 a day ago), but traded volume deteriorated to 1.67bn from 1.71bn a day ago. Foreign institutions (-RM26.5m, Jan: RM-168m) extended their net outflow for a 4th session followed by local retailers (-RM30.8m, RM-496m), whilst local institutions emerged as the only net buyer (-RM7.3m, Jan: RM664m).

### TECHNICAL OUTLOOK: KLCI

As long as KLCI holds up above the support trend line and 200D MA near 1,488, we reckon the bulls will have the upper hand to retest 1,518-1,528 in the short term. Conversely, a decisive break down below the support trend line would trigger a selloff towards 1,454-1,468 zones.

### Daily KLCI: Poised to retest 1,518-1,528 levels barring a selldown below uptrend line



Klsscreener

### MARKET OUTLOOK

By compiling KLCI's past 10 years performance during the CNY, we note that seven out of ten times KLCI registered a lower trading value WoW in the week after Yuan Dan (the first day of Chinese New Year), which could indicate a tepid market for this week. Despite this, we continue to see uptick bias in KLCI following last Friday's decisive breakout above 1,500 hurdle that will spark further buying interest. This is also supported by the undemanding KLCI CY2023 valuation (12.6x P/E vs 10Y mean 16.9x), and low foreign shareholding (Dec 2022: 20.6% vs all-time low of 20.1% in Aug). We highlight that CAPITALA, GENM, CARLSBERG, SUNWAYREIT, IGBREIT, and HEIM are among the companies that will benefit from the CNY.

Average daily trading volume (ADTV)		
	ADTV (bn shrs)	ADTV (RM'bn)
2021	5.7	3.5
1Q22	3.2	2.6
2Q22	2.9	2.1
3Q22	2.2	1.6
4Q22	2.9	1.9
2022	2.8	2.1
Jan	3.1	2.0

Bursa, HLIB

Market performance							
	Dow	chgs	KLCI	chgs	Vol (m)	Val (RM'm)	G/L (x)
3-Jan	33136	-85	1474.0	(17.6)	3.72	1.47	0.78
4-Jan	33270	134	1469.6	(4.5)	3.13	1.66	0.93
5-Jan	32930	-340	1480.9	11.4	3.30	1.96	1.15
6-Jan	33630	700	1480.6	(0.4)	3.16	1.61	0.85
9-Jan	33517	-113	1493.4	12.9	3.18	1.92	1.56
10-Jan	33704	187	1485.1	(8.3)	3.19	1.91	0.78
11-Jan	33973	269	1487.9	2.7	3.57	2.18	1.69
12-Jan	34190	217	1488.7	0.8	3.58	2.75	0.94
13-Jan	34302	112	1495.0	6.4	3.41	2.01	1.36
16-Jan	34302	0	1493.6	(1.5)	3.92	2.03	0.85
17-Jan	33911	-391	1499.4	5.8	2.82	1.98	1.01
18-Jan	33297	-614	1495.5	(3.9)	2.70	2.00	0.91
19-Jan	33044	-253	1496.2	0.7	2.50	1.90	1.05
20-Jan	33375	331	1500.3	4.1	2.34	1.71	1.65
23-Jan	33629	254	1500.3	-	0.00	0.00	-
24-Jan	33733	104	1499.5	(0.8)	2.83	1.68	2.21
25-Jan	33743	10	1499.5	-	0.00	0.00	-

Daily trade statistics- Net trades (RM'm)			
	Insti	Retail	Foreign
5-Jan	-92	5	87
6-Jan	-46	5	41
9-Jan	51	-46	-5
10-Jan	44	-32	-12
11-Jan	98	-25	-73
12-Jan	119	-122	3
13-Jan	27	-68	41
16-Jan	122	-61	-61
17-Jan	-64	-21	85
18-Jan	129	-15	-114
19-Jan	119	-47	-72
20-Jan	86	-79	-7
25-Jan	57	-31	-27
<b>5-day total</b>	<b>328</b>	<b>(193)</b>	<b>(135)</b>
<b>Week ended 13 Jan</b>	<b>339</b>	<b>(293)</b>	<b>(46)</b>
YTD (RM'bn)	0.66	(0.50)	(0.17)

Bursa, Sunbiz

**Figure #1 Virtual portfolio (Technical Tracker: Maximum Holding Period is 4-5 Weeks)**

No	Stocks	Report date	Entry Price (RM)	S1	S2	R1	R2	LT Target Price	Stop loss	Highest price since report	Lowest price since report	Last price <sup>6</sup> RM	Gains/Loss since report <sup>7</sup>	Remarks
1	ITMAX	4-Jan	1.440	1.420	1.390	1.550	1.620	1.740	1.290	1.620	1.420	1.550	7.6%	Took profit at 1.55 (R1) on 16 Jan
2	MYEG	6-Jan	0.845	0.830	0.810	0.920	0.950	1.010	0.760	0.915	0.835	0.895	5.9%	Took profit on 16 Jan
3	KGB	10-Jan	1.470	1.420	1.380	1.550	1.600	1.680	1.330	1.590	1.450	1.550	5.4%	Took profit at 1.55 (R1) on 16 Jan
4	MYNEWS	11-Jan	0.700	0.680	0.660	0.750	0.780	0.810	0.600	0.720	0.690	0.710	1.4%	
5	AIRPORT	12-Jan	7.170	7.050	6.840	7.460	7.620	7.820	6.570	7.260	7.060	7.160	-0.1%	
6	BIMB	12-Jan	2.500	2.500	2.490	2.610	2.750	2.890	2.420	2.550	2.480	2.480	-0.8%	
7	CAPITALA	12-Jan	0.690	0.670	0.650	0.750	0.770	0.790	0.620	0.725	0.685	0.710	2.9%	
8	GENM	12-Jan	2.810	2.790	2.750	2.920	3.060	3.130	2.670	2.890	2.780	2.870	2.1%	
9	ANCOMNY	12-Jan	1.150	1.100	1.040	1.230	1.300	1.360	0.990	1.210	1.130	1.180	2.6%	
10	FLB	12-Jan	0.555	0.530	0.500	0.650	0.695	0.750	0.480	0.575	0.555	0.600	8.1%	
11	SUNWAY	12-Jan	1.600	1.600	1.540	1.750	1.850	2.000	1.490	1.660	1.560	1.600	0.0%	
12	OSK	12-Jan	0.985	0.930	0.910	1.050	1.120	1.180	0.890	1.010	0.985	1.010	2.5%	
13	SENFONG	12-Jan	0.730	0.700	0.680	0.790	0.860	0.880	0.640	0.740	0.720	0.730	0.0%	
14	FOCUSP	12-Jan	1.010	1.000	0.970	1.150	1.180	1.230	0.940	1.080	1.000	1.030	2.0%	
15	SCGBHD	18-Jan	0.320	0.290	0.280	0.330	0.390	0.430	0.265	0.340	0.320	0.330	3.1%	
16	UNIQUE	19-Jan	0.220	0.210	0.200	0.250	0.270	0.300	0.190	0.240	0.220	0.240	9.1%	
17	MAHSING	25-Jan	0.580	0.550	0.570	0.600	0.620	0.700	0.540	0.595	0.580	0.595	2.6%	

**Figure #2 Virtual portfolio performance**

	2020 Cumulative return	2021 Cumulative return	2022 Cumulative Return	Jan 2023	2023 Cumulative Return
Total calls made	122	98	97	17	17
Total winners	80	63	60	15	15
Total losers	42	35	37	2	2
Successful hit rates	66%	64%	62%	88%	88%
Average return	60%	35.2%	46.2%	3.4%	3.4%
Relative against CI	63%	31.6%	43.1%	2.5%	2.5%

**Note:**

- HLIB Retail Research runs a "virtual portfolio" and this should not be construed that HLIB has taken a position.
- Maximum holding period for stocks recommended are ranging from one week to four weeks. We will take profit (depending on strength of technical chart reading) should share price reach our R1/R2/LT upside targets.
- We will close the positions upon expiry of the maximum holding period even if the stocks fail to achieve our R1/R2/LT upside targets and/or remained above the cut loss level;
- For Sell ratings, we consider the return as equivalent to the losses made if investors did not sell;
- Prices shall be adjusted accordingly in the event of relevant exercises (i.e dividend, bonus, rights issues etc)
- S=support; R=resistance;
- For those that we took profit, this column shows the price level which we exited from the trade.
- Excluding brokerage, stamp duty as well as clearing fees.
- Included quarterly stock picks.

## Disclaimer

The information contained in this report is based on data obtained from sources believed to be reliable. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the info or opinions in the report.

Accordingly, neither Hong Leong Investment Bank Berhad nor any of its related companies and associates nor person connected to it accept any liability whatsoever for any direct, indirect or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the info or opinions in this publication.

Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Hong Leong Investment Bank Berhad has no obligation to update its opinion or the information in this report.

Investors are advised to make their own independent evaluation of the info contained in this report and seek independent financial, legal or other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you.

Under no circumstances should this report be considered as an offer to sell or a solicitation of any offer to buy any securities referred to herein.

Hong Leong Investment Bank Berhad and its related companies, their associates, directors, connected parties and/or employees may, from time to time, own, have positions or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Hong Leong Investment Bank Berhad. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Hong Leong Investment Bank Berhad takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Hong Leong Investment Bank Berhad own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Hong Leong Investment Bank Berhad website shall be at your own risk.

1. As of 26 January 2023, Hong Leong Investment Bank Berhad has proprietary interest in the following securities covered in this report:

(a) -

2. As of 26 January 2023, the analyst(s) whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) -

## Published & printed by:

### Hong Leong Investment Bank Berhad (10209-W)

Level 28, Menara Hong Leong,

No. 6, Jalan Damanela,

Bukit Damansara,

50490 Kuala Lumpur

Tel: (603) 2083 1800

Fax: (603) 2083 1766

## Stock rating guide

<b>BUY</b>	Expected absolute return of +10% or more over the next 12 months.
<b>HOLD</b>	Expected absolute return of -10% to +10% over the next 12 months.
<b>SELL</b>	Expected absolute return of -10% or less over the next 12 months.
<b>UNDER REVIEW</b>	Rating on the stock is temporarily under review which may or may not result in a change from the previous rating.
<b>NOT RATED</b>	Stock is not or no longer within regular coverage.

## Sector rating guide

<b>OVERWEIGHT</b>	Sector expected to outperform the market over the next 12 months.
<b>NEUTRAL</b>	Sector expected to perform in-line with the market over the next 12 months.
<b>UNDERWEIGHT</b>	Sector expected to underperform the market over the next 12 months.

The stock rating guide as stipulated above serves as a guiding principle to stock ratings. However, apart from the abovementioned quantitative definitions, other qualitative measures and situational aspects will also be considered when arriving at the final stock rating. Stock rating may also be affected by the market capitalisation of the individual stock under review.